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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 BUDAPEST 002236

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DEPARTMENT PLEASE PASS TO NSC - DAMON WILSON AND ADAM
STERLING

E.O. 12958: DECL: 11/02/2011

TAGS: PGOV PREL ECON HU

SUBJECT: ON THE CONTRARY: FIDESZ OFFERS OPPOSITION WITHOUT
ALTERNATIVES

REF: BUDAPEST 2229 AND PREVIOUS

Classified By: POL/C ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

¶1. (C) Ambassador Foley's November 2 meeting with Parliamentary Foreign Affairs Committee Chair Zsolt Nemeth highlights the inability of FIDESZ to match its ideological zeal with a detailed policy agenda in the ongoing confrontation with the Gyurcsany government.

Divide and Destroy ...

¶2. (C) After expressing great satisfaction with his recent trip to the U.S., particularly his meetings with EUR P/DAS Volker and DAS DiCarlo, Nemeth turned to Hungary's domestic political situation. He asserted that "only our side is post-communist," and that accordingly the political divide in Hungary is "not between conservatives and liberals as it is in Poland, but between communists and anti-communists." He commented that the "monolithic" MSZP realizes that the present conflict is for the "survival of the communist elite" and that FIDESZ's goal must be "the ultimate destruction of the communists." In the near-term, he noted, they would continue efforts to divide the MSZP over the issue of Gyurcsany's continued leadership. The upcoming referendum (septel), he continued, would serve as a public referendum on the Gyurcsany government. He explained that the seventh question proposed for the referendum had been designed in particular to "hold Gyurcsany accountable for his campaign promises" and their impact on the deficit.

¶3. (C) Ambassador Foley highlighted the economic risks of continued political gridlock, underscoring the "mutual irresponsibility" of both the government and the opposition for their unrealistic campaign promises. DCM Reeker added that the opposition's "disturbing focus on the past" had led many to question what FIDESZ stands for. For example, he continued, FIDESZ portrays the MSZP as "communists" but has itself maintained that the government should "provide everything from the cradle to the grave."

But Don't Define

¶4. (C) Nemeth suggested that specific policy questions be discussed "by experts," responding only that FIDESZ had never "consciously misled the public" and had managed the economy responsibly during the Orban government. He charged that "Medgessey/Gyurcsany government" was to blame, and drew little distinction between the two. The MSZP government is a "media government," focused only on keeping power and lacking the political conviction and the public credibility to undertake fundamental change. For its part, FIDESZ would support "incentives and investment," though Nemeth stated that multi-national corporations should work "as an engine" driving the growth of local SME's rather than creating a

division between rich and poor "like Latin America's dual economy." Ambassador Foley responded that if "working like an engine" meant "being taxed to death" then this would hardly meet with the private sector's support.

¶5. (C) Turning briefly to the more familiar territory of foreign policy, Nemeth underscored FIDESZ's commitment to separating Hungary's international obligations from its own political agenda, specifically reiterating his support for the "crucial" PRT mission in Afghanistan and for our approach on Kosovo status. In what he admitted was a rare word of praise for the PM, he supported Gyurcsany's decision not to meet with Slovak PM Fico, noting that "some signal from Bratislava" would be a necessary precondition. "International relations," he concluded, "will not suffer because of our internal issues."

¶6. (C) Returning to the domestic political scene, Nemeth noted FIDESZ's plan to publish a book detailing "horrifying" charges of police brutality. He charged that the police had instigated violent incidents and had kept many of their "victims" in long-term detention. He also alleged that the police had compelled individuals to sign statements that "nothing happened" as a precondition for their release from custody. The government's goal, he concluded, is to portray the opposition as criminal and thus alienate the public, whatever the risk to Hungarian democracy.

¶7. (C) Ambassador Foley responded that FIDESZ's demonstrations had attracted violent elements whatever the party's intentions. Nemeth flatly maintained that "it was all the police" and said that FIDESZ will organize another demonstration November 4 in Pest to mark the entry of Soviet forces during the 1956 Revolution.

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Every Caricature Tells a Story

¶8. (C) Comment: FIDESZ's opposition to the Gyurcsany government is emotionally deep but often substantively shallow. Even Nemeth, who the party often uses in its contacts with the international community, is often more visceral than intellectual in his views. As with many in the opposition, he is quick to reduce the present situation to a caricature of "communist oligarchs" who "learned at Kadar's knee," while seemingly blind to FIDESZ's own mix of populism and paternalism. Though flexible in their tactics, moving rapidly from their initial call for a "government of experts" to their present insistence that "the majority must change its mind," they have been constant in their goal: Gyurcsany's removal. Indeed, the party seems to believe that the opposition's role is simply to oppose rather than to offer constructive alternatives. Although the end result of this campaign remains to be seen, the immediate result has been to wrest the initiative from a government that seemingly remains one accusation behind. End Comment.

FOLEY